**ICL Q3 2017 Conference Call**

**08 November 2017**
**20:00 p.m. GMT**

Operator: Ladies and gentlemen, thank you for standing by, and welcome to the ICL Q3 2017 Conference Call. Our presentation today will be followed by a question and answer session.

At which time, if you wish to ask a question you will need to press star one on your telephone. I must advise you that this call is being recorded today. If you experience any technical difficulties, please press star zero on your telephone.

I'd now like to hand the call over to your first speaker today, Ms. Limor Gruber, Head of Investor Relations. Please go ahead, ma'am.

Limor Gruber: Thank you, Tony. Hello, everyone in the room. Hello, everyone on the line. Welcome and thank you for joining us today to our Third Quarter 2017 Conference Call. We are here in New York City. I'm happy to host a bunch of people for our lunch briefing and the event is also being webcast live at www.icl-group.com.

Earlier today, we filed our report to the securities authorities and the stock exchanges in Israel and in the U.S. The reports as well as the press release are available on our website.

There will be a replay of the webcast available a few hours after the meeting and a transcript will be available within 48 hours. The presentation that we will review today is also available on our website.

And I wanted to remind you not to forget to review the disclaimer on Slide #2 and the disclaimer right at the end of the presentation appendix. Our comments today will contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

These statements are based on management's current expectations and are not guarantees of future performance. Today, we will begin with a presentation by our Acting CEO, Asher Grinbaum; followed by Kobi Altman, our CFO.

In addition, we will have a special presentation today by Jim Moffatt, Executive Vice President, ICL Advanced Additives and Food Specialties. Jim, say hi to the team. In addition, Ofer Lifshitz, President of ICL Essential Minerals, is here with us today.

On the line also joining us today, Mr. Charlie Weidhas, our COO, Hezi Israel, Executive Vice President, M&A and Strategy, and Mr. Eli Glazer, President of ICL Specialty Solutions Segment. We will all, of course, be happy to answer your questions after the presentation. Thank you. Asher, please.

Asher Grinbaum: Thank you, Limor. Good afternoon or good evening to all of you joining this call today.

Starting with Slide number three. We are very pleased with our Q3 results, which were supported by strong performance of our Specialty Solutions segment.

For the past several quarters, we have achieved solid overall results by balancing the challenging business environment in the commodity fertilizers market with strong results of our Specialty business.

That clearly demonstrates that our strategy works as we continue to grow our Specialties while restructuring our commodity business and optimizing our sites.

Let's turn to Slide number four to discuss this quarter's developments. Our Specialty Solutions segment demonstrated an increase in sales together with improvement in operating margin. Major contributors were Advanced Additives and Industrial Products.

Our bromine franchise benefited from higher bromine price in China mainly resulting from strict environmental inspections, which affected local production output, solid global demand for brominated products and higher phosphorus flame retardant prices.

Advanced Additives saw an increase in sales of salts and acids mainly in Europe and increased market share in China. This is despite price pressure and the highly competitive U.S. market.

During the quarter and into October, we also witnessed the unfortunate wildfires in California to which the entire fire safety sub business line mobilized, working around the clock to help with resources and life-saving firefighting materials.

Our Essential Minerals segment results were stable compared to Q3 2016. Potash sales were strong on the back of the July contract signing in China and India and record shipments to Brazil. Despite that and the increase in average potash price, the business line's operating income decreased versus Q3 2016 due to lower production.

As you know, the site in Spain and in the U.K. are undergoing a restructuring process. We are working hard to complete the transition to Polysulphate in the U.K. and the site consolidation in Spain, which will help us to further benefit from the improvement in the potash market.

The phosphate business line continued to be negatively impacted by competitive price pressure. Nevertheless, YPH, our joint venture in China, results continued to improve driven by a shift to specialties and higher-margin products as well as the implementation of efficiency cost-reduction measures.

Despite a competitive U.S. market and the disruptive impact of the recent hurricanes that hit the continent and higher cost of importing ammonia to Israel, the Specialty Fertilizers business line improved its performance compared to Q3 2016 mainly supported by solid demand in Europe and Asia Pacific regions.

Let's turn to Slide number five. Where I would like to take the opportunity to emphasize our balanced business model, which is highlighted in our results in the last couple of years, as the downstream specialty is balanced with the volatility that characterizes the commodity markets.

ICL is built around three main minerals. We can see them in the left of the slide: The potash, the phosphate and the bromine.

These are the minerals which are the main raw materials for most of downstream products along the value chain that we have created throughout the years. That way, we add value and strengthen the balance in our business. As I mentioned before, this is clearly evident in our results in the last several quarters.

What we see in this slide when we are talking about Essential Minerals, we have here the potash, Polysulphate, the phosphate and here the bromine. And on the right side, we have our main downstream products - the specialty products.

And here, we can see the main products that we have in the downstream. The potash is potash - no difference, but we have the Polysulphate. Here, a derivative of the phosphate business is what we are calling the white acid, phosphoric acid.

And the main product that we have is this line. And, of course, we have the bromine and the bromine derivatives, mostly the flame retardant, the clear brines and others. So what we are saying that this is the uniqueness of ICL, that in the left side we have the commodities.

But, of course, nowadays, mostly the phosphate is suffering from a very challenging price reduction. And in the right side, we have the derivatives that, you can see the results, are doing quite well.

So we have a natural balance between them and our strategy basically is to move more and more to the right side, to the specialty chemicals. And the last part of the strategy is maximizing production and, of course, the cost per ton, to push down the cost per ton of these minerals.

So the business model makes ICL a unique company in both the agriculture and specialty chemical sectors and ensures we will continue to deliver value even under commodity downturn cycles as I explained. With that, I would like to turn the call over to Kobi to review our financials. Thank-you, Kobi.

Kobi Altman: Great to see a lot of green color. Thank you, Asher. Good afternoon, everyone. Let's take a look at our financial results on Slide 7.

As Asher just described, our excellent results once again highlight the importance of our unique business model with strong performance from our downstream specialty businesses balancing the commodity cycle.

The strong performance this quarter is despite the fact that some of our businesses faced challenges. This is very encouraging for us as we are confident that once these challenges are dealt with, we will be able to further improve our results.

The increase in sales is attributed to higher sales quantities of fire safety products of ICL Advanced Additives and phosphoric acid at ICL phosphate and to higher potash and bromine prices.

Comparing the reported results to the third quarter of 2016 is not so hard as we reported a loss last year. But even on the adjusted results, we showed an impressive over 30 percent growth in the adjusted operating profit due to favorable specialty commodity mix and a 25 percent reduction of G&A expenses.

The upward revaluation of the euro benefited our sales, but the strengthening of the Israeli shekel had offset this euro impact and negatively impacted our operating income as our Israeli operations carry heavy expenses in shekels.

Despite the increasing adjusted operating profit, adjusted net income slightly decreased versus Q3 '16 as a result of higher effective tax rate. And I will elaborate on that shortly.

We continue with the low CapEx target we have set for this year. Nevertheless, several infrastructure projects mainly at the Dead Sea such as the salt harvesting and the new pumping station are expected to increase our CapEx in the next two to three years.

We are pleased with our continuous ability to generate another quarter of strong positive free cash flow, the seventh in a row.

Moving to Slide 8. Slide 8 is a good visual demonstration on how the Specialty Solutions segment can compensate for the challenges in the commodity fertilizer market.

For the first time, Specialty Solutions' sales surpassed those of Essential Minerals, talking about sales to external. And as we saw in previous quarters, Specialty Solutions is demonstrating its ability to generate higher operating profit compensating for the commodity cycle.

In Q4, we expect that Essential Minerals' share in both sales and operating income will be higher compared to Q3 due to higher potash shipments and the typical low seasonality in the Specialty businesses.

Slide 9. As in the previous quarters, Slide 9 is aimed to explain the reason for the increased tax expenses.

Our tax burden in Israel has increased in 2017 due to the Israeli natural resources tax on potash and bromine and the exclusion of some of our Israeli operations from the capital investment encouragement law. Specifically for this quarter, high profits generated in the U.S. with its high corporate tax rate, this is before the planned U.S. tax reforms, also negatively impacted our overall effective tax rate for this specific quarter. The normalized effective tax rate this quarter stands at 35 percent and this is the level we should expect in the coming few quarters.

Turning now to Slide 10. Specialty Solutions' sales and operating income significantly increased compared to the corresponding quarter in 2016 mainly due to an increase in bromine and fire safety volumes as well as higher bromine prices, partially offset by lower Food Specialties sales.

The exchange rate effect is similar to what I described earlier with the strengthening of the shekel against the dollar negatively impacting operating income. I would like to remind you that the fourth quarter of the year is typically the low season in our Specialty businesses and this will be reflected in Q4 results.

On Slide 11, we can see how lower sales volumes due to lower production and sales of phosphate rock and phosphate commodity fertilizer was more than offset by higher potash prices in both sales and operating income. As I explained earlier, exchange rate had a positive impact on sales, but a negative impact on operating income.

During this quarter, we also got some insurance refunds in Israel. The cost in our potash stand-alone operations were negatively impacted by lower production, primarily in the U.K. and Spain.

I'd like to remind you, as Asher's words earlier, and emphasize we are undergoing a major reorganization process at our European sites aimed to significantly improving both site's cost position, but in the meantime and under current market environment, these operations are not profitable. We expect that the transformation of our U.K. site to Polysulphate and the mine consolidation in Spain will significantly improve their competitiveness.

In Q4, we expect improved potash production, sales volume and profitability. However, the phosphate business line will continue to be pressured by the competitive market and higher raw material prices.

And finally, on Slide 12, our disciplined balance sheet, cost, working capital and CapEx management was reflected in yet another quarter of strong positive free cash flow for the seventh time in a row.

For the last 9 months year-to-date, the free cash flow increased by more than 20 percent compared to the same period in 2016 and we are on track to exceed the 2016 full year results. The collection of the high sales we recorded this quarter should help us sustain a positive free cash flow in the coming two quarters.

We are also pleased that S&P recently reaffirmed our current global investment grade rating at BBB- with stable outlook and our local Israeli rating at ilAA with stable outlook.

This testifies to our commitment to reduce debt level by focusing on cash flow generation through cost savings, optimization of working capital and CapEx as well as our diligent efforts to divest assets with low-synergistic profile and use the proceeds to reduce debt levels and fuel our growth initiatives. Thank you and moving back to you, Limor.

Limor Gruber: Thank you, Kobi. We will now move to a brief but in-depth presentation by Jim Moffatt who leads our Advanced Additives and Food Specialties business lines that a lot of our investors and analysts are less familiar with. So I hope you will find it interesting. Jim, please.

James Moffatt: Thank you, Limor. I am starting on Slide 3 or Slide 15, I guess it is. As mentioned, I'll be talking today about Advanced Additives and Food Specialties, two of the three business units -- two of the three that make up Specialty Solutions division.

In terms of my personal background, I have been involved in specialty phosphates and food ingredients for close to 36 years now and I joined ICL in 2005 when ICL acquired a U.S. based specialty phosphates manufacturer.

So moving to Slide 4 (16). The two business units account for around, in 2016, 25 percent of total ICL's revenue and accounted for roughly 25 percent of ICL group's total operating profit before allocated GOA -- G&A and other expenses. You could also see by the map, these are truly global businesses and we have manufacturing or distribution locations in over 20 countries.

The next slide, Slide 17, I guess it is.  We are global leaders at our markets and this slide points out a few things, I think, important to understand.

Let me first talk about the downstream P2O5 business that Asher described. This is phosphoric acid, higher-end phosphoric acids, tech phosphates, food-grade phosphates and food-grade balloons.  We call this the P2O5 chain.

What's important here are several things, one of which is we are basic in phosphate rock mining and processing.  Many of our competitors are not and are forced to buy phosphate rock or fertilizer-grade acid on the open marketplace.  We are also the only global manufacturer.

That allows us certainly to optimize our production and logistic systems, which I think are competitive advantages.  Probably more importantly, it also enables us to get much closer to our customers because many, if not most, of our major customers are also globally based.

Over the last several years, we have made investments or acquisitions in China and in Brazil and we are very much poised to -- in fact, we've already begun to really reap some nice benefits in these high-growth areas based on our investments we made over the last number of years.

Finally, the two business units or business lines also include other very strong businesses.  In Advanced Additives, we have a firefighting business.  These are the products which you see being dropped out of airplanes and helicopters.

Also in Advanced Additives, we have a product called P2S5, which its main use is lube oil additives.  In the food business, 1.5 year or so ago, we purchased a wheat -- whey protein, milk protein company in Europe.

These make specialty proteins.  After the acquisition, we have made significant additional investments.  And we are excited about this business, especially on the organic protein piece, especially infant milk formula in China and also the rest of the world.

So moving to the next slide, we take a more granular view of Advanced Additives. In 2016, Advanced Additives earned $155 million on $800 million of revenue, which is over 19 percent, which, I think, is pretty remarkable performance, especially given the competitive nature of some of the businesses we're in.

Now, while we only disclose business line earnings on an annual basis, I will say that the quarter that just ended marked the sixth quarter in a row in which Advanced Additives exceeded the previous year's quarter's earnings.

The next slide shows Advanced Additives has a broad applications list from water treatment, to electronic chemicals, to paints and coatings, oral care, electronics, firefighting, et cetera.

The list goes on and on. And behind these applications are a very broad and diverse blue-chip customer base and this customer base with whom we've had supply relationships and also personal relationships with for years, if not for decades.

So the next slide, Slide 20 in the deck. This looks at the growth opportunities and the market trends. The market trends, we believe, are very much in our favor and fit our proven ability to sell solutions and, again, are also a great fit to investments we made globally in Asia, in China over the last several years to poise to take advantage of those strong growth areas.

Let's move now with more details in Food Specialties on Slide 21. In 2016, before allocated G&A, Food Specialties earned 13 percent on revenues of $660 million.

Some details on product line breakdown, about 37 percent were single defined phosphates, about a 1/3 were phosphate blends and multicomponent blends and the multicomponent blend is a product that we offer to a customer in the same bag which contains products other than phosphates in addition to phosphates.

And roughly 35 percent was a newly acquired proteins business and also a small specialty spice blending company which we own and manage out of Europe. You could also see if you've been looking at the map, this business has excellent geographical diversity.

Slide 22, a similar story to Advanced Additives, Food Specialties' broad and diverse customer base and a broad and wide range of applications, both of which we think combine for obvious benefits.

Important to point out that our products truly add functional benefits to our customers. They make the products taste better. They improve the mouth feel. They extend shelf life. They provide nutritional benefits and so forth. So truly functional benefits to our customers. And in vast majority of cases, our products go in at a very low percent of our customer's final product.

Slide 23, market trends in the global food market, which you can see on the slide. They are favorable to our business model and capabilities. Let me talk in more detail about our capabilities. A big part of being successful, we believe, in Food Specialties is going to be able to understand specific customer needs, tailor specific solutions to that customer.

We calculated recently that from January 2016 until today, we had about a total revenue increase of 8 percent to 10 percent on the Specialty Solution revenues. Now, we think this is very important. As you can imagine, as these sort of sales and solutions approaches, we believe, are barrier to competitive entry and they typically come with relatively high margins. We are fully anticipating the rate of success in this area to accelerate as we are finding indeed that success breeds success.

So let me finish the review of the two business lines with a slightly different set of key points that you can see. We, at ICL, are indeed excited about this. As Limor pointed out, these may be the little -- lesser known business lines, but we're excited about them. And I thank you today for your attention as I reviewed them. So thank you very much.

Limor Gruber: Thank you, Jim. We will now move to the Q&A session. We will start with questions from the room and then we will take questions from the line. I kindly ask you to wait for the mic, of course, and just introduce yourself before asking the question. So who would like to start?

(Nick Cicero): Hi, (Nick Cicero) with Jefferies. I was wondering if you can elaborate on innovation in bromine, maybe some short-term opportunities as well as long-term, like how do you balance the two?

Limor Gruber: OK, we will direct the question to Eli Glazer, President of ICL Specialty Solutions. Eli is on the line with us. Eli….

Eli Glazer: Yes, in the mid-term, short-term we are looking to the main so-called trends, the megatrends. And we are talking about constructions and energy in this respect. And we see some potential growth in the energy -- the energy batteries, for instance, storages -- storage of energy.

These are megatrends which we presume may have some opportunities in the future as well as all kind of construction activities, which dictate the new standards, higher standards, especially in emerging countries, which is a good potential for our flame-retardant business and some other areas which we are strong in. And that's actually megatrends which we feel that we have a lot to contribute, and we see a potential in the next couple of years.

Limor Gruber: OK, Thank –you Eli. We will now move to take a question from the line.

Operator: Your first question comes from the line of Joel Jackson.

Joel Jackson: Thanks Limor. I am going to ask a few questions. Maybe I'll follow-up on bromine to start. Earnings are up a lot this year, some structural changes in China, or structural curtailments in China, that's letting prices of elemental bromine and compounds to be higher.

Is this sustainable or would you expect possibly something to come back in the market next year? Because I know the bromine market hasn't really grown for a while. It's sort of just been up and down from year-to-year?

Eli Glazer: I believe the question is, again, to me, Eli Glazer?

Limor Gruber: Yes, Eli.

Eli Glazer: We think that all the changes, especially all kinds of regulation, which comes more and more severe in China. I would say it's more sustainable. That's the way we see it.

And the standards are going up, all the environmental regulations are getting higher in China. As I mentioned, in the previous question all the standards for fire retardants will be much more severe in this region and China in specific. Then I would say that it's more sustainable in our view.

Joel Jackson: OK. My second question is on potash. So can you talk about Iberpotash, the Spanish mine -- mines. Is this, I know you're transitioning and consolidating, I'm talking about lower grade ore, are we going into some lower-grade ore parts of reserve where we should expect higher costs going forward? And in the U.K, when should we expect the full transition now from potash to Polysulphate to complete?

Limor Gruber: Thank you, Joel. Ofer Lifshitz, President of ICL Essential Minerals, will answer the question.

Ofer Lifshitz: Hello, I'll start with the Spain activity in Iberpotash. As you know, we're moving from two mines to one mine. We have 1 mine in Sallent and we're moving to the second one in Suria, both in Catalonia right now.

And the reserves that we have in the mine in Suria are very big reserves. It is a more efficient operation in Suria, the one we are going to move to. And this transition period is going to be, we're going to move around mid -- the second half of 2019. OK. So we are in this transition period, as Kobi mentioned.

And the main idea is really to be more efficient in our operations and have the same quantities at least in the beginning in the Suria mine that we are producing now in both mines. Now with regard to the operation in the U.K., it's also a transition period for us in which we are moving, switching from potash to Polysulphate.

And actually today we are producing both. And anyone can understand if you produce both products in the same place, the efficiency is not so -- it's less than it could be if you produce only one product.

And this is the idea that we're moving to Polysulphate as the potash mine -- the potash reserves will actually be exhausted in the next 1 year, 1.5 years. And this is the transition that we're going to do. Our aim is to shorten the period of this transition period in order to achieve the benefits much faster.

Joel Jackson: So my final question, Limor would be this. Obviously PotashCorp has to sell the stake of ICL that it's had for a long time. And has the right to do on a secondary -- we assume it would be a secondary. How urgent would it be for ICL to be involved with Potash or Nutrien to try to do a secondary, sell the stake and remove any overhang?

Kobi Altman: Joel, OK. Hi, Joel. PotashCorp has their stake in ICL for many, many years now. And now we read that the Indians and the Chinese authorities asking them to divest these stakes over the next 18 months or 9 months.

We will, obviously, help as much as we can to PotashCorp to go and sell this stake, we'll go on the road and will do whatever we can to help them with this sale. When exactly they will launch it is up to them, and the exact way that they plan to do that we still don't know, but we are working together with them obviously.

We will be very happy to get it over. I am aware, like you are, you just mentioned that this is an overhang on our shares, actually for quite some time because they announced that this is not a strategic investment, already two to three years ago. But obviously, over the last few months since the news around this demand of the Indian and Chinese authorities came out, this is an overhang and again, we will do whatever we can to help them, and hopefully this will be fast.

Limor Gruber: Do we have additional questions from the room? Yes.

Andrey Seryy: I am Andreyy Serry from Lapides Asset Management. So could you give more details on CapEx because you have restructuring in Europe- Spain and U.K; then you have dredger of over $200 million; then you have pumping station quarter billion; then you have your normal CapEx. And at the same time you want to reduce your debt. Can you give more details on this?

Limor Gruber: Thank you. Kobi, will you take the question? Asher, OK.

Asher Grinbaum: As Kobi mentioned, next year will be a year when we shall have to invest more than today. Basically the main reason is that we are going to build a new (P9) pumping station in the Dead Sea works area.

It's a very big project. Basically because the level of the sea is decreasing, going down, the meaning is that we have to build this relatively far away from existing one. And that can take some of our investment. And there are also some other projects but not so big like this one. We believe that we should have a higher budget than this year, but not significantly. And together with our forecast, the cash flow forecast, we believe that we can make it.

Andrey Seryy: What about future years, those are pretty big commitments, and it's hard to see how you can fund it from cash flow?

Asher Grinbaum: OK. So about the future, first of all, Kobi mentioned we're going to make divestments. And with these divestments we shall create cash flow for future investments. And looking forward to our programs, strategic programs, as I mentioned, most investments we are intending to do in Specialty Chemicals, or specialty side of our business.

And basically these investments, the nature of these investments is not so big and high, like when we're investing in new infrastructures, in Essential Minerals. According to our plans, future plans, we don't see any problem, taking into consideration, of course, also the divestments which we are going to do.

Limor Gruber: Yes, we have another question from the room.

Silke Kueck: Thank you, Silke Kueck from JP Morgan. I was wondering, if you can talk about your phosphate business. So year-to-date your rock production is down 700,000 tonnes and your total phosphate production is down 500,000 tonnes and some of it has to do with reductions at your YPH joint venture.

Are those mandated reductions or are they by choice? And I was also wondering if you can discuss how much rock capacity you shut down with the Zin plant, and whether that's permanent or temporary?

Ofer Lifshitz: I'll start with the situation with the rock, in the Zin plant. As you know the phosphate prices went down sharply in the last two, three years. Rock is one of them.

So, additional to us using the rock in the overall production we are also selling rock. But if the situation is that the price is going down too much, and we don't have -- we cannot profit out of it, we just close the plant.

And that's what we did in the last three months. Now we're resuming production in the middle of November but, if we see that the prices will not catch up and still going to be down, the Zin plant is actually, is a mine that it's only for sale. So we're not using the Zin mine in our production, only for sale. So if it's not profitable, we're not going to do it.

Now with regards to YPH, this is exactly the strategy that Asher talked about. We are moving from commodities to specialties.

And that's what we're doing in the YPH, and that's why we are producing -- actually we're not producing any commodities today, only specialties through the MGA, the green acid, it goes to white phosphoric acid and goes to the Specialty Fertilizers instead of the commodities. So it is definitely part of the strategy. It gives good results not stable -- totally stable, but this is the right direction that we're going.

Limor Gruber: We will take a question from -- some questions from the line now.

Operator: Once again, if you wish to ask a question via the telephone conference, please press star one on your telephone keypad. Your next question comes from the line of (Dan Gorman).

Dan Gorman: It's Dan Gorman from UBS. Just a few sort of quick ones. First of all on Food Specialties, the trend seems like it's improving. How much of that is coming up against easier comps, and versus sort of an underlying positive trend related to the previous lost customer in China? And that's the first one. And maybe, if I can just ask the second one as well. In terms of your SG&A and the G&A, taking that out and sort of cost reductions this quarter- how much of this is sustainable completely going forward. Obviously, you're talking about the production reductions as well. And -- but what we should model going forward in terms of overall costs and in terms of the trends? Thanks

Limor Gruber: OK. I will direct the first question to Eli Glazer and then the second question to Kobi Altman. Eli, please.

Eli Glazer: Jim, you want to take it or you want me to go ahead?

James Moffatt: I think I understood the question.

Eli Glazer: I'm not sure, I understood it.

James Moffatt: Let me attempt an answer, and a clarification. We have talked about this year the food business was down the first half of the year, related to a specific situation, to a specific customer.

That has turned around a bit -- or did turn around in the third quarter. Additionally, as part of the path forward, we've been working hard to diversify our customer base to become less dependent on one or two mega customers. I think we have been successful on that.

We're still working hard to do that. So part of the strategy in Food is to have a broad customer base, broad application. And that also then applies to the proteins business as well as the phosphate business. I'm hoping that answered the…

Eli Glazer: Yes, that was the question. I hope?

Dan Gorman: That's fine. It's was really just about the phasing of that tough comp and that difficulty.

Eli Glazer: That's --what we went through it. I think Jim made it really clear. It was the first two, three quarters -- two quarters, the third quarter, we already start to see a major improvement. And as Jim said, we're back, and we diversify our number of customers. We have already some contracts for next year, we see it completely different. Just to remember and maybe to emphasize, last year during the -- close to the last quarter, there was new regulation in China and this one was one of the major reasons why there was a hiccup and destocking in the market.

Now it's much more organized and there is certain regulation in place, and we already understand -- not understand, we understand and we already prepared ourselves, we're preparing ourselves into this new structure. Therefore, according to our plans the whole regulation part will be implemented already in January, 2018. And we see the market will continue to grow.

This is the part, which I want to add into this part. The market is growing there in higher percentages, in double-digit figures and we believe that we will participate in this business and in this growth.

Kobi Altman: And on your question with regard to the G&A. Yes, the reduction we saw this quarter is sustainable.

We used to be at a level of around $80 million of G&A every quarter, let's say, for the last two years or less. This year, we went down to a level of around $65 million in the first two quarters and now to the level of $60 million.

We believe that this is a sustainable level. We did a significant effort in cost cutting on all of our global functions and units. And we believe that this is a number that we can see also going forward.

Limor Gruber: Yes, one more question from the room.

Silke Kueck: Yes, Silke Kueck from JP Morgan. I was wondering whether I could reinvestigate the question about the shares have to be divested by PotashCorp.

So in the past the Chinese have always expressed an interest in owning more fertilizer assets one way or another. Are there any restrictions for any foreign entities owning the ICL shares?

And if you have to guess, do you think that divestiture of the Potash shares in ICL will go to one new owner? Or do you think it will go more the route of like a secondary where there are several new owners?

Kobi Altman: I think you have more sources to ask the Chinese than we do, but we don't really know. Obviously, it's PotashCorp, it's their shares and maybe they are in discussion with interested, potential interested party, we don't know. We just told them that we will help them as much as we can.

Silke Kueck: Are there any parties that can’t buy the shares?

Kobi Altman: Not that we are aware of.

Limor Gruber: Do we have any additional questions in the room? We don't have further questions from the room. (Tony)?

Operator: Once again, if you’d like to ask a question via the audio please press star one now. Your next question comes from the line of Joel Jackson of BMO Capital Markets.

Joel Jackson: Could you give us an update on where we are currently for Polysulphate prices, margins and volumes?

Ofer Lifshitz: The Polysulphate, I would say in the last two years, we have increased the production and sales about 60 percent in 2016.

And it's going to be more or less the same in 2017. And our planning for the future is more than this, as I said, because we are switching to only production of Polysulphate instead of poly and potash together.

So we see a real development in the market. Still it's a new product, you need to develop the uses of this product. So it's not that immediately you can sell as much as you want. But we see a very good trend of it.

Joel Jackson: Last time you have given updates, the product was selling in the low 100s, like $115 a tonne or something like that. Are we give or take around that price currently?

Ofer Lifshitz: The price of the…

Joel Jackson: Yes.

Ofer Lifshitz: The price of the Polysulphate depends on the uses. Because -- right now, the price is -- the combination of the nutrients of the Polysulphate and according to the uses of it. So it can vary from $120 to $200.

The same product, depends on the use, where it goes. And this is the calculation that is done now according to the four nutrients of the Polysulphate and the uses of it. So it's not only one price. It varies between crops, it varies between countries. So it's really a price that varies significantly.

Joel Jackson: I just wanted to also follow-up on some more specific CapEx guidance, because I think it's important. Can you give us like specific range, we should expect for CapEx in 2018 and 2019. Because that would be extremely helpful,

Kobi Altman: Well, this year, we are going to end at around $500. The depreciation levels that we have also just to give you a kind of an understanding of how to look at those numbers is around $400, which I think fairly represents our ongoing, securing our existing assets' CapEx level.

We said -- I said, earlier that we would see increase in CapEx due to some of those bigger projects in the next two to three years, so it will be beyond $500.

Very hard to tell at this point, and we also don't like to guide on exact numbers especially in CapEx because sometimes the timing of starting a project or the finishing is changing those numbers.

You can take a look at the S&P report, they mentioned their estimate for our CapEx for next year.  And I think this is a reasonable range.

Joel Jackson: If I take $0.5 billion from salt harvesting and the power plant, would be widely spread over few years like should that $500 million come out roughly a 1/3, a 1/3, a 1/3 the next years.  Is that reasonable in your opinion?

Kobi Altman: The salt harvesting is most an operational one that will go on an annual investment every year.  The one that is more significant over the next 2 to 3 years is the pumping station.  This is a project of over $200 million that we are starting now.  We want to end it in the beginning of 2020.  So most of the expenses will be spread over 2018 and 2019.

Operator: You have no further questions at this time.  Please continue.

Limor Gruber: Thank you, Tony.  OK.  So I guess, we will conclude this meeting here.  And I would like to thank you all -- sorry.  Let -- Kobi wants to say a couple of words.

Kobi Altman: We just want to summarize for the people in the room with a slide of the extended management team of ICL just because some of faces are here in the room and you can see them.

I think that on this slide, when you can see over 300 years of ICL experience, this is something that is becoming extremely unusual I would say in the modern companies. It's very hard to find companies like that anymore on Earth. And this is a unique asset for ICL.

The level of experience in our business, in our business models, in our various markets and various assets is something that is becoming a significant strength of ICL. Now it's 2.5 years, so April 2018 when I celebrate 3 years. I will be able to say that I'm contributing 1 percent of this overall bucket.

Limor Gruber: OK. Thank you. Thank you, Kobi. Thanks, again, everyone. We were happy to have you here. Happy to have you on the line. And we look forward to talking to you, with you again. Bye-bye.

Operator: Ladies and gentlemen, that does conclude our conference for today. Thank you for participating. You may now disconnect.

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